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SENATE BILL 6793

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State of Washington

60th Legislature

2008 Regular Session

By Senators Pflug and Parlette

Read first time 01/24/08. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to developing alternative benefits packages to  
2 medicaid beneficiaries; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The deficit reduction act of 2005 gives  
5 states the option, through a state plan amendment process, to provide  
6 alternative benefits packages to medicaid beneficiaries as a means of  
7 controlling taxpayer funded health care costs and improving quality of  
8 care. The legislature finds that the state must do more to control  
9 health care costs to ensure a sustainable public health care system.  
10 The options available to the state will enable the state to leverage  
11 employer-sponsored coverage of medicaid benefits and change our  
12 medicaid benefit package to mirror certain commercial insurance  
13 packages through the use of benchmark plans. Our state medicaid  
14 package does not do enough to contain cost controls and lead to high  
15 quality care. The goal for Washington must be to reduce the cost of  
16 health care, expand the use of affordable private coverage, promote  
17 personal responsibility for health, and improve quality and  
18 coordination of care. Washington has not yet taken advantage of this  
19 option to any real extent. The centers for medicare and medicaid would

1 look favorably on future Washington waivers and programs if our state  
2 made greater efforts to control health care costs in both our medicaid  
3 and our state children's health insurance program.

4 NEW SECTION. **Sec. 2.** The department of social and health services  
5 shall submit a medicaid state plan amendment by July 1, 2008, as  
6 authorized under the deficit reduction act of 2005, P.L. number 109-  
7 171.

8 (1) The state plan amendment shall require that all healthy adults  
9 and children who are currently enrolled in medicaid be enrolled in one  
10 or more commercially available plans or a health savings account with  
11 a high deductible health plan that meets all coverage requirements of  
12 the federal law with regard to alternative benefits packages.

13 (a) The state shall use medicaid funds and state funds to pay the  
14 deductible and fund the health savings accounts.

15 (b) Appropriate and engaging education on how to use insurance and  
16 health savings accounts and the rights and responsibilities of the  
17 enrollee shall be available. This education and training must be  
18 available on the internet, as well as in other forms.

19 (2) The state plan amendment shall require that all children  
20 enrolled in and funded through the state children's health insurance  
21 plan be offered a health savings account with a high deductible health  
22 plan that meets all coverage requirements of the federal law with  
23 regard to alternative benefits packages. Appropriate and engaging  
24 education on how to use health savings accounts and the rights and  
25 responsibilities of the enrollee shall be available. This education  
26 and training must be available on the internet, as well as in other  
27 forms.

28 (3) The state plan amendment shall provide for the voluntary  
29 enrollment of children and youth in foster care in one or more  
30 commercially available plans or a health savings account with a high  
31 deductible health plan that meets all coverage requirements of the  
32 federal law with regard to alternative benefits packages.

33 (a) The state shall use medicaid funds and state funds to pay the  
34 deductible and fund the health savings accounts while the child is in  
35 foster care and eligible for medicaid.

36 (b) Appropriate and engaging education on how to use insurance and  
37 health savings accounts, the portability of benefits of health savings

1 accounts, and the rights and responsibilities of the enrollee shall be  
2 available. This education and training must be available on the  
3 internet, as well as in other forms.

4 NEW SECTION. **Sec. 3.** The department of social and health services  
5 shall submit necessary changes in state law to the governor and the  
6 appropriate committees of the legislature to implement the new benefits  
7 packages specifically related to eligibility, benefits, services or  
8 delivery systems, and other areas as needed.

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